

# PROJECT MANUAL

## REPLACEMENT OF CITY HALL AIR COMPRESSOR AND COOLING TOWER

CITY PROJECT NUMBER B0125



**PROCUREMENT DIVISION  
3RD FLOOR CITY HALL  
900 CHURCH STREET  
LYNCHBURG, VA 24504  
TELEPHONE (434) 455-3970  
FAX (434) 845-0711**

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## ADVERTISEMENT FOR BIDS

Sealed bids for the Replacement of City Hall Air Compressor and Cooling Tower will be received by the City of Lynchburg in the Procurement Division, Third Floor City Hall, Lynchburg, VA until 3:00 p.m., Wednesday, November 1, 2006 and then publicly opened and read aloud in the Bidders Room, Third Floor, City Hall.

This project includes removal and replacement of the control air compressor (located in the basement level mechanical room) and the removal and replacement of the Cooling Tower (located on the roof) of City Hall.

The Project Manual and Drawings for this project may be obtained for a non-refundable fee of \$15.00 from CRI Mutual Press, 58 Ninth Street, Lynchburg, VA 24504, (434) 845-1203; these documents may also be viewed and downloaded directly from the City's website: <http://www.lynchburgva.gov/home/index.asp?page=981>.

A mandatory pre-bid conference will be held at 11:00 AM, Wednesday, October 18, 2006 in the Bidder's Room, Third Floor City Hall, 900 Church Street, Lynchburg, Virginia. A site visit and walk through will follow immediately after.

Contact Stephanie Suter at (434) 455-3963; fax: (434) 845-0711; email: [stephanie.suter@lynchburgva.gov](mailto:stephanie.suter@lynchburgva.gov) for further information.

BID FORM

Stephanie Suter  
Buyer-Procurement Division  
City of Lynchburg  
Third Floor, City Hall  
900 Church Street  
Lynchburg, Virginia 24504

Dear Ms. Suter:

The undersigned, having examined the sites and having carefully studied all drawings and specifications pertaining to "Replacement of City Hall Air Compressor and Cooling Tower" for the City of Lynchburg, Virginia, hereby proposes to furnish all labor, equipment, materials, and services and to perform all operations necessary to execute and complete the work required for the project, together with Addenda numbered \_\_\_\_\_, issued during bidding period and hereby acknowledged, subject to the terms and conditions of the Agreement for the lump sum of:

TOTAL BASE BID: \_\_\_\_\_

Dollars (\$ \_\_\_\_\_)

ADDITIVE BID ITEM #1: \_\_\_\_\_

Dollars (\$ \_\_\_\_\_)

ADDITIVE BID ITEM #2: \_\_\_\_\_

Dollars (\$ \_\_\_\_\_)

ADDITIVE BID ITEM #3: \_\_\_\_\_

Dollars (\$ \_\_\_\_\_)

It is understood and agreed that the Owner, in protecting its best interest, reserves the right to reject any or all bids or waive any defects in favor of the City. Any changes, erasures, modifications, deletions in the bid form, or alternate proposals not specified in the bid proposal shall make the proposal irregular and subject to rejection.

Contractors will indicate a unit price for each item listed below. The listed bid items are to contain all necessary cost required for completion of the referenced projects. Any changes, erasures, modifications or deletions in the bid form, or alternate proposals not specified in the bid proposal shall make the proposal irregular and subject to rejection.

It is understood that all quantities listed herein are estimated quantities and the Owner reserves the right to raise, lower, or eliminate any quantity or item and in any case the unit prices shall be used in determining partial and final payments.

We are properly equipped to execute work of the character and extent indicated by the bidding documents and so covered by this Bid and will enter into Agreement for the execution and completion of the work in accordance with the Drawings and Project Manual and this Bid. We further agree that if awarded the Contract, we will commence the work within ten (10) days of receipt of the Notice to Proceed and will maintain a work force large enough to execute the work and all obligations within the time limit specified in the notice to proceed for each project.

We agree to pay as liquidated damages, the sum of One Hundred Dollars (\$150.00) for each consecutive calendar day that the Substantial Completion is delayed in accordance with the Contract Agreement.

Enclosed herewith is the following Security, offered as evidence that the undersigned will enter into Agreement for the execution and completion of the work in accordance with the Drawings, Specifications and Project Manual:

Bidder's Bond or Certified Check in the amount of: \_\_\_\_\_

Bond Issued by or Name of Bank: \_\_\_\_\_

This Firm assures that it will give its best efforts to use Disadvantaged Business Enterprises wherever possible. A requirement of the Contract Agreement will be that a genuine concerted effort will be made to utilize DBE's wherever possible. Attached herewith is the completed Equal Opportunity Report Statement.

The undersigned hereby agrees, if awarded the contract, to execute and deliver to the City within ten (10) days after his receipt of Contract Documents, a satisfactory contract bond as required in the amount of 100% of the Contract Price.

The undersigned further agrees that in case of failure on his part to execute the said Agreement within ten (10) consecutive calendar days after written notice being given on the award of the contract, the monies payable by the Securities accompanying this Bid shall be paid to the City of Lynchburg, Virginia as liquidated damages for such failure; otherwise, the Securities accompanying this Bid shall be returned to the undersigned.

Attached herewith is a Certified Anti-Collusion Statement. Failure to sign and notarize this statement may result in rejection of the Bid.

Attached herewith are completed Statement of Experience and Statement of Resources forms which includes the information requested.

The undersigned further agrees to fulfill all requirements of State, Federal, and Municipal laws, which may be applicable to this project.

Further, if determined to be the successful bidder, the below signed elects to utilize the escrow account procedure in accordance with the "Escrow Agreement", a copy of which is included in these Contract Documents:

\_\_\_\_\_  
Write "Yes" or "No" on above line.

In the event the successful bidder elects to use the escrow account procedure, the "Escrow Agreement" form shall be executed and submitted to the City of Lynchburg, Engineering Division, within fifteen (15) calendar days after notification of award. If the "Escrow Agreement" form is not submitted within the fifteen-day period, the Contractor shall forfeit his rights to the use of the escrow account procedure.

This Bid is subject to acceptance within a period of 90 days from this date:

Respectfully submitted,

\_\_\_\_\_  
DATE

\_\_\_\_\_  
CONTRACTOR

CURRENT CONTRACTOR'S VIRGINIA REGISTRATION NO.: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

---

ADDRESS

BY:

TITLE:

## **EQUAL OPPORTUNITY REPORT STATEMENT**

The Bidder shall complete the following statement by checking the appropriate blank as follows.

The Bidder has \_\_\_\_\_ has not \_\_\_\_\_ participated in a previous contract subject to the non-discrimination clause prescribed by Executive Order 10925, dated March 6, 1961, or Executive Order 11114 dated June 22, 1963.

In conjunction with the City of Lynchburg's policy to utilize Disadvantaged Business Enterprises wherever possible, the Bidder has solicited quotations for labor, material, and/or services from the following:

<u>NAME OF FIRM</u>	<u>PERSON(S) CONTACTED</u>	<u>DATE</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

Of those listed above, we intend, at this time, to utilize the following in the completion of the work required by this contract:

_____
_____
_____

"This firm assures that it will give its best efforts to utilize Disadvantaged Business Enterprises wherever possible."

CERTIFIED BY: \_\_\_\_\_ (signature)  
\_\_\_\_\_ (Typed/printed name & title)

BIDDER'S NAME: \_\_\_\_\_

IRS NUMBER: \_\_\_\_\_

\_\_\_\_\_ This firm shall perform all construction with its own employees and, therefore, is not required to solicit quotations from DBE's.

FAILURE TO DOCUMENT AND REPORT DBE CONTACTS ON THIS FORM MAY BE A BASIS FOR REJECTION OF THE BID AS NONCONFORMING.

## CERTIFICATION OF NONDISCRIMINATION AND ANTI-COLLUSION

By submitting their bids, all bidders certify to the City of Lynchburg, VA that they will conform to the provisions of the Federal Civil Rights Act of 1964, as amended, as well as the Virginia Fair Employment Contracting Act of 1975, as amended, where applicable, the Virginian's With Disabilities Act, the Americans With Disabilities Act, Section 2.2-4311 of the Virginia Public Procurement Act, and the Lynchburg Procurement Ordinance:

In every contract over \$10,000, the provisions below apply:

1. During the performance of this contract, the contractor agrees as follows:
  - A. The contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment, except where there is bona fide occupational qualification reasonably necessary to the normal operation of the contractor. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
  - B. The contractor, in all solicitations or advertisements for employees placed by or on behalf of the contractor, will state that such contractor is an equal opportunity employer.
  - C. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting the requirements of this section.
2. The contractor will include the provisions of the foregoing paragraphs A, B and C in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

Certified by: \_\_\_\_\_ (*corporate seal*)

Date: \_\_\_\_\_

Note: I hereby certify that this bid is not the result of, or affected by, any act of collusion with another person engaged in the same line of business, or any act of fraud punishable under the Virginia Commonwealth Frauds Act.

\_\_\_\_\_ (*seal*)

Acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_ , \_\_\_\_\_

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_



## ***STATEMENT OF EXPERIENCE***

*Proposer:* \_\_\_\_\_  
\_\_\_\_\_

*How Long In Business:* \_\_\_\_\_ *At Current Address:* \_\_\_\_\_

*Principals:* \_\_\_\_\_ *Title:* \_\_\_\_\_

\_\_\_\_\_ *Title:* \_\_\_\_\_

\_\_\_\_\_ *Title:* \_\_\_\_\_

*Type of Work Normally Performed:* \_\_\_\_\_

\_\_\_\_\_

*Projects of this type previously completed:*

1. \_\_\_\_\_

\_\_\_\_\_ *Amount \$* \_\_\_\_\_

2. \_\_\_\_\_

\_\_\_\_\_ *Amount \$* \_\_\_\_\_

3. \_\_\_\_\_

\_\_\_\_\_ *Amount \$* \_\_\_\_\_

*Reference (for Projects listed above):*

1. \_\_\_\_\_

\_\_\_\_\_ *Tel. No.* \_\_\_\_\_

2. \_\_\_\_\_

\_\_\_\_\_ *Tel.No.:* \_\_\_\_\_

3. \_\_\_\_\_

\_\_\_\_\_ *Tel. No.* \_\_\_\_\_

***STATEMENT OF AVAILABLE RESOURCES***

*Equipment:* \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*Number of Personnel Currently Employed:* \_\_\_\_\_

*Number of Personnel Available for Project:* \_\_\_\_\_

*Other Pertinent Information:* \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

ALL PROSPECTIVE FIRMS MUST RESPOND TO THE FOLLOWING

If a limited liability company, limited liability partnership, or a limited partnership indicate below:

Check one: ☐ Limited Liability Company

☐ Limited liability partnership

☐ Limited partnership

Have you registered with the State Corporation Commission, to conduct business in Virginia?

☐ Yes ☐ No

Name and address of organizer: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

List who is authorized to execute contracts: \_\_\_\_\_

\_\_\_\_\_

If conducting business under an assumed business name, fill out the following information:

Name of assumed business: \_\_\_\_\_

Owner's name and address: \_\_\_\_\_

Registration date: \_\_\_\_\_

Expires: \_\_\_\_\_

If conducting business as a sole proprietorship, fill out the following information:

Individual's name liable for all obligations of business: \_\_\_\_\_

If you are a sole proprietor using an assumed name, please list below:

\_\_\_\_\_

Registration date: \_\_\_\_\_

Expires: \_\_\_\_\_

### Questions to Offeror

Offerors are to respond to the following question: Have the individual(s), owner(s), or principal officer(s) of the firm submitting the proposal ever been convicted of a felony or a misdemeanor involving moral turpitude, which would adversely affect the ability to perform the contract?

YES \_\_\_\_\_ NO \_\_\_\_\_

If yes, list individual or officer and title and give details.

NOTE: Answering yes to this question will not necessarily exclude your company from consideration but will be used to weigh the relationship between the offense and the contract to be performed.

Is your firm currently involved in litigation which would adversely affect performance on this contract?

YES \_\_\_\_\_ NO \_\_\_\_\_

## CONSTRUCTION AGREEMENT

This Agreement made and entered into on the \_\_\_\_\_ day of \_\_\_\_\_, 2006, by and between \_\_\_\_\_, party of the first part, hereinafter referred to as Contractor, and the City of Lynchburg, a municipal corporation of the Commonwealth of Virginia, party of the second part, hereinafter referred to as the Owner.

WITNESSETH:

That the Contractor, for the consideration hereinafter fully set out, hereby agrees with the Owner as follows:

1. That the Contractor shall furnish all labor, materials, tools, and equipment and perform all work in manner and form as contained in the Project Manual and Drawings for the and all other specifications as referenced in these documents.
2. That the Contractor shall commence work within ten (10) days after award of the Contract and Notice to Contractor to Proceed with the work under contract, and shall substantially complete the work no later than 150 calendar days following the issue date of Notice to Proceed. Owner and Contractor recognize that time is of the essence of this Agreement and that the Owner will suffer financial loss if the work is not completed within the times specified in the Notice To Proceed, plus any extensions thereof. They also recognize the delays, expense and difficulties involved in providing the actual loss suffered by Owner if the work is not completed on time. Accordingly, instead of requiring any such proof, Owner and Contractor agree that as liquidated damages for delay (but not as a penalty) Contractor shall pay One Hundred Fifty Dollars (\$150.00) for each day that expires after the time specified for completion. If the Contractor is subject to liquidated damages the City has the right to withhold the liquidated damages from the Contractor's regular payments or retainage.
3. The Owner hereby agrees to pay the Contractor for the faithful performance of this Agreement subject to additions and deductions as provided in the Specifications or Proposal, in lawful money of the United States, as follows:

\_\_\_\_\_ Dollars

(\$ \_\_\_\_\_)

4. The Owner shall make partial payment on a monthly basis to the Contractor on the basis of a duly certified and approved estimate of work performed during the preceding calendar month by the Contractor, less five percent (5%) of the amount of such estimate which is to be retained by the Owner until all work has been performed strictly in accordance with this Agreement and until such work has been accepted by the Owner.
5. Upon submission by the Contractor of evidence satisfactory to the Owner that all payrolls, material bills and other costs incurred by the Contractor in connection with the construction of the work have been paid in full, final payment on account of this Agreement shall be made within 90 days after the completion by the Contractor of all work covered by this Agreement and the acceptance of such work by the Owner.
6. It is further mutually agreed between the parties hereto that if, at any time after the execution of this Agreement and Surety Bond hereto attached for its faithful performance, the Owner shall deem the surety or sureties upon such bond to be unsatisfactory, or if for any reason, such bond ceases to be adequate to cover the performance of the work, the Contractor shall at its expense, within five (5) days after the receipt of notice from the Owner so to do, furnish an additional bond or bonds in such form and amount, and with such surety or sureties as shall be satisfactory to the owner. In such event no further payment to the Contractor shall be deemed to be due under this Agreement until such new or additional security for the faithful performance of the work shall be furnished in manner and form satisfactory to the Owner.

7. Contractor agrees to fulfill all requirements of State, Federal, and Municipal laws which may be applicable to this project.

This Agreement is executed in four counterparts, each of which shall, without proof or accounting for the other counterparts, be deemed an original contract.

IN WITNESS WHEREOF, \_\_\_\_\_ has caused its name to be subscribed to this Agreement by \_\_\_\_\_, its \_\_\_\_\_, and its corporate seal to be hereunto affixed and attested by \_\_\_\_\_, its \_\_\_\_\_, said officers being duly authorized therefore; and the City of Lynchburg has caused its name to be hereunto subscribed by L. Kimball Payne, City Manager, and its corporate seal to be hereunto affixed and attested by Patricia Kost, its Clerk of Council, said officers being duly authorized therefore, all as to the day and year first above written.

(SEAL)

ATTEST:

\_\_\_\_\_

\_\_\_\_\_

BY: \_\_\_\_\_  
Contractor

CITY OF LYNCHBURG

(SEAL)

ATTEST:

\_\_\_\_\_  
Clerk of Council

BY: \_\_\_\_\_  
L. Kimball Payne  
City Manager

## CONTRACT BOND

KNOW ALL MEN BY THESE PRESENTS: That we \_\_\_\_\_ (Hereinafter called the Principal) and \_\_\_\_\_ (Hereinafter called the Surety) are held and firmly bond unto the City of Lynchburg, a Municipal Corporation of the Commonwealth of Virginia (Hereinafter called the Owner) in the penal sum of \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_) for the payment of which we bind ourselves, our heirs, executors, administrators, successors, and assigns for the faithful performance of a certain written contract, dated the \_\_\_\_ day of \_\_\_\_\_, 2006, entered into between the Principal and City of Lynchburg, for \_\_\_\_\_ (project).

NOW, THEREFORE, the condition of this obligation is such that if the Principal shall faithfully perform the terms and conditions of the contract in all respects on his or its part and shall fully pay all obligations incurred in connection with the performance of such contractor on account of labor and materials used in connection therewith and all such obligations of every form, nature, and character, and shall save harmless the Owner from any and all liability of every nature, kind, and character which may be incurred in connection with the performance or fulfillment of such contract on the part of the Principal or other such liability resulting from negligence or otherwise on the part of the Principal, and further shall save harmless the Owner from all costs and damage which may be suffered by reason of the failure of the Principal to fully and completely perform said contract, and shall fully reimburse and repay the Owner for all expenditures of every kind, character, and description which may be incurred by the Owner in connection with making good any and every default which may exist on the part of the Principal in connection with the performance of said contract; and further that if the Principal shall pay all lawful claims of all persons, firms, partnerships or corporations for labor performed and materials furnished in connection with the performance of the contract (we agreeing that failure so to do shall give such persons, firms, partnerships or corporations a direct right of action against either the Principal or Surety under this obligation, or both said Principal and Surety), then this obligation shall be void, otherwise the same shall remain in full force and effect; it being expressly understood and agreed that the liability of the Surety for any and all claims hereunder shall in no event exceed the penal amount of this obligation as herein stated;

PROVIDED HOWEVER, that this bond is issued subject to the following conditions and privileges:

1. That no suit, action or proceeding by reason of any default whatever on the part of the Principal shall be brought on this bond after one year from the date on which final payment on the contract falls due;
2. That any alterations or additions which may be made under the contract or the work to be done under it or the giving by the Owner of any extension of time for the performance of the Contract, or any other forbearance on the part of either the Owner or the Principal shall not in any way release the Principal and Surety, or either of them, their heirs, executors, administrator, successors or assigns, from their liability hereunder, notice to the Surety of any such alterations, extensions or forbearances being expressly waived.

Executed in two counterparts.

IN WITNESS WHEREOF, \_\_\_\_\_, the Principal, has caused its name to be hereunto subscribed and its corporate seal to be hereunto affixed and duly attested by its proper officers heretofore duly authorized this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, and the Surety has caused its name to be hereunto subscribed and its seal affixed by its authorized Attorney-in-Fact.

\_\_\_\_\_

BY: \_\_\_\_\_  
President

(SEAL)

ATTEST:

\_\_\_\_\_  
Secretary

\_\_\_\_\_

BY: \_\_\_\_\_  
Attorney-in-Fact



## ESCROW AGREEMENT

THIS AGREEMENT, made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by,  
between and among the City of Lynchburg ("City"), \_\_\_\_\_ ("Contractor"),

\_\_\_\_\_  
(Name of Bank)

\_\_\_\_\_  
(Address of Bank)

a trust company, bank, or savings and loan institution with its principal office located in the Commonwealth of Virginia (hereinafter referred to collectively as "Bank"), and

\_\_\_\_\_  
("Surety") provides:

### I.

The City and the Contractor have entered into a contract with respect to City.

Project No. and Name: \_\_\_\_\_ ("the Contract").  
This agreement is pursuant to, but in no way amends or modifies, the Contract. Payments made hereunder or the release of funds from escrow shall not be deemed approval or acceptance of performance by the Contractor.

### II.

In order to assure full and satisfactory performance by the Contractor of its obligations under the Contract, the City's Director of Finance is required thereby to retain certain amounts otherwise due the Contractor. The Contractor has, with the approval of the City, elected to have these retained amounts held in escrow by the Bank. This agreement sets forth the terms of the escrow. The Bank shall not be deemed a part to, bound by, or required to inquire into the terms of, the Contract or any other instrument or agreement between the City and the Contractor.

### III.

The City shall from time to time pursuant to its contract pay to the Bank amounts retained by it under the Contract. Except as to amounts actually withdrawn from escrow by the City, the Contractor shall look solely to the Bank for payment of funds retained under the Contract and paid by the City to the Bank.

The risk of loss by diminution of the principal of any funds invested under the terms of this contract shall be solely upon the Contractor.

Funds and securities held by the Bank pursuant to this Escrow Agreement shall not be subject to levy, garnishment, attachment, lien, or other process whatsoever. Contractor agrees not to assign, pledge, discount, sell or otherwise transfer or dispose of his interest in the escrow account or any part thereof, except to the Surety.

### IV.

Upon receipt of checks or warrants drawn by the Director of Finance and made payable to it as escrow agent, the Bank shall promptly notify the Contractor, negotiate the same and deposit or invest and reinvest the proceeds in approved securities in accordance with the written instruction of the Contractor. In no event shall the Bank invest the escrowed funds in any security not approved.

## V.

The following securities, and none other, are approved securities for all purposes of this Agreement:

- (1) United States Treasury Bonds, United States Treasury Notes, United States Treasury Certificates of Indebtedness or United States Treasury Bills,
- (2) Bonds, notes and other evidences of indebtedness unconditionally guaranteed as to the payment of principal and interest by the United States,
- (3) Bonds or notes of the City,
- (4) Bonds of any political subdivision of the City, if such bonds carried, at the time of purchase by the Bank or deposit by the Contractor, a Standard and Poor's or Moody's Investors Service rating of at least "A", and
- (5) Certificates of deposit issued by commercial Banks located within the Commonwealth, including, but not limited to, those insured by the Bank and its affiliates,
- (6) Any bonds, notes, or other evidences of indebtedness listed in Section (1) through (3) may be purchased pursuant to a repurchase agreement with a Bank, within or without the City having a combined capital, surplus and undivided profit of not less than \$25,000,000 provided the obligation of the Bank to repurchase is within the time limitations established for investments as set forth herein. The repurchase agreement shall be considered a purchase of such securities even if title, and/or possession of such securities is not transferred to the Escrow Agent, so long as the repurchase obligation of the Bank is collateralized by the securities themselves, and the securities have on the date of the repurchase agreement a fair market value equal to at least 100 percent of the amount of the repurchase obligation of the Bank, and the securities are held by a third party, and segregated from other securities owned by the Bank.

No security is approved hereunder, which matures more than five years after the date of its purchase by the Bank or deposit by the Contractor.

## VI.

The Contractor may from time to time withdraw the whole or any portion of the escrowed funds by depositing with the Bank approved securities in an amount equal to, or in excess of, the amount so withdrawn. Any securities so deposited or withdrawn shall be valued at such time of deposit or withdrawal at the lower of par or market value, the latter as determined by the Bank. Any securities so deposited shall thereupon become a part of the escrowed fund.

Upon receipt of a direction signed by the City's Director of Public Works or the City Engineer, the Director of Finance or the City Accountant shall authorize the Bank to pay the principal of the fund, or any specified amount thereof, to the account of the City of Lynchburg. Such payment shall be made in cash as soon as is practicable after receipt of the direction.

Upon receipt of a direction signed by the City's Director of Public Works or the City Engineer, the Director of Finance or the City Accountant shall authorize the Bank to pay and deliver the principal of the fund, or any specified amount thereof, to the Contractor, in cash or in kind, as may be specified by the Contractor. Such payment and delivery shall be made as soon as is practicable after receipt of the direction.

VII.

For its services, hereunder the Bank shall be entitled to a reasonable fee in accordance with its published schedule of fees or as may be agreed upon by the Bank and the Contractor. Such fee and any other costs of administration of this Agreement shall be paid from the income earned upon the escrowed fund and, if such income is not sufficient to pay the same, by the Contractor.

VIII.

The net income earned and received upon the principal of the escrowed fund shall be paid over to the Contractor in quarterly or more frequent installments. Until so paid or applied to pay the Bank's fee or any other costs of administration such income shall be deemed a part of the principal of the fund.

IX.

The Surety undertakes no obligation hereby but joins in this Agreement for the sole purpose of acknowledging that its obligations as surety for the Contractor's performance of the Contract are not affected hereby.

WITNESS the following signatures, all as of the day and year first above written.

CITY OF LYNCHBURG

CONTRACTOR: \_\_\_\_\_

BY: \_\_\_\_\_  
City Manager

BY: \_\_\_\_\_  
Officer, Partner, or Owner (Seal)

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SECTION I

## INSTRUCTIONS TO BIDDERS

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## SECTION I INSTRUCTIONS TO BIDDERS

### 1.1 SCOPE OF WORK

The work included under this contract shall consist of all labor, material, equipment and the performance of all work necessary to complete the project known as "Replacement of City Hall Air Compressor and Cooling Tower".

### 1.2 SUBMITTAL OF BIDS

Submit bids using forms furnished in the Project Manual and fill in all blank spaces on the form. Repeat notation "Contractor's Current Virginia License No. \_\_\_\_\_" on outside of inner envelope containing bid and bid security, and place this envelope within another envelope addressed to:

City of Lynchburg  
Stephanie B. Suter  
Procurement Division  
900 Church Street  
Third Floor City Hall  
Lynchburg, VA 24504

Both the inner and outer envelopes shall have noted thereon:

- a. "Replacement of City Hall Air Compressor and Cooling Tower"
- b. The bidder's name and address.

Receipt deadline for bids will be as stated in the Advertisement.

No bidder shall withdraw, modify, or cancel any part of his bid for the number of days stated on the Bid Form following this date and time except as provided by Sec.2.2-4309 Virginia Public Procurement Act.

### 1.3 PLANS AND SPECIFICATIONS

The Project Manual and Drawings for this project may be obtained for a non-refundable fee of \$15.00 from CRI Mutual Press, 58 Ninth Street, Lynchburg, VA 24504, (434) 845-1203. These documents may also be viewed and downloaded from the City's website:  
<http://www.lyncburgva.gov/home/index.asp?page=981>.

The successful bidder shall be issued, without charge, five sets of sets of plans and specifications.

### 1.4 BID GUARANTEE

Each bid must be accompanied by a certified check on a bank satisfactory to the OWNER or a Bid Bond in the amount of five percent (5%) of the amount of bid, made payable to the OWNER, as assurance that the successful bidder will enter into contract within ten (10) days after notification of award of contract.

### 1.5 PERFORMANCE BOND

A performance bond and a labor and material payment bond will be required in the amount of 100 percent of the bid.

### 1.6 PRE-BID CONFERENCE

A mandatory pre-bid conference will be held at 11:00 AM, Wednesday, October 18, 2006 in the Bidder's Room, Third Floor City Hall, 900 Church Street, Lynchburg, Virginia. A site visit and walk through will follow immediately after.

## 1.7 AWARD OF CONTRACT

The award of a contract shall be made within 90 calendar days of the date specified for publicly opening bids. The owner reserves the right to make multiple awards based on the lowest, qualified bidder for both the base bid and the alternate. If the low bidder is the same for both the base bid and the alternate, the owner will award the entire contract to that bidder.

## 1.8 EXAMINATION OF BID DOCUMENTS AND SITE:

Before submitting bids, each bidder must examine bid documents thoroughly; and familiarize themselves with Federal, State and local laws, ordinances, rules, and regulations affecting the work; and correlate their observations with requirements of the bid documents. They shall be responsible for any licenses, fees, taxes and other money obligations required for them to complete the project. This shall not be a "pay" item or extra work.

Bidders are requested and expected to visit the sites of the project and acquaint themselves with all available information concerning any special conditions which will be encountered during construction of the project, such as labor conditions, transportation, utilities, storage facilities, availability of materials, site peculiarities, and other conditions which might have a bearing on the construction.

It should be noted that utilities (electrical lines, telephone lines and cables, gas lines, sewer lines and water lines) shall be protected by the Contractor. Any and all damage caused by the construction of the project shall be the total responsibility of the Contractor, and any necessary repairs shall be made by the Contractor at his expense.

Failure to make the foregoing investigation shall not relieve the successful bidders of assuming all responsibility for improperly estimating the difficulties of performing the complete work as required.

## 1.9 INTERPRETATIONS:

No oral interpretations of the bid documents will be made to any bidder. To be given consideration, requests for interpretations must be received in time to allow preparation of written response at least five days prior to date fixed for opening of bids. Interpretations will be issued in the form of written addenda to the bid documents and mailed to all parties who previously received bid documents, prior to scheduled opening of bids. Only interpretations by formal written addenda will be binding. All addenda will be posted to the City's website.

All communications in regard to interpretations and any other matters related to this project shall be addressed to: Stephanie B. Suter, City Hall, Procurement Division, Third Floor, 900 Church Street, Lynchburg, VA 24504, 434-455-3963, fax: 434-845-0711, email: <[stephanie.suter@lynchburgva.gov](mailto:stephanie.suter@lynchburgva.gov)>

## 1.10 WITHDRAWAL OF BIDS AFTER DATE FOR SUBMISSION:

Withdrawal of bids after date for submission: In accordance with the provisions of sec. 2.2-4330 (A) procedure (ii) of the Virginia Public Procurement Act, the bidder shall submit to the Procurement Division his original work papers, documents and material used in the preparation of the bid at or prior to the time fixed for the opening of the bids. The bidder shall have two hours after the opening of bids within which to claim in writing any mistake as defined herein and withdraw his bid. The mistake shall be proved only from the original work papers, documents and material delivered as required herein.

- a. Definition: Contractor's work papers are the original work papers, documents, and materials used in the preparation of the bid as referred to in Section 2.2-4330 of the Virginia Public Procurement Act.
- b. If a bid is withdrawn in accordance with this section, the lowest remaining bid shall be deemed to be the low bid.

- c. No bidder who is permitted to withdraw a bid shall, for compensation, supply any material or labor to or perform any subcontract or other work agreement for the person or firm to whom the contract is awarded or otherwise benefit, directly or indirectly, from the performance of the project for which the withdrawn bid was submitted.

#### 1.11 BID OPENING:

Sealed bids will be accepted at the Procurement Division, Third Floor, City Hall, until 3:00 p.m., Wednesday, November 1, 2006, and then publicly opened and read, in the Bidder's Room, Third Floor City Hall. All interested parties are invited to attend.

#### 1.12 REJECTION OF BIDS:

The right is reserved to reject any and all bids and to waive any irregularities or informalities in the bidding. Bids may be withdrawn in accordance with the Virginia Public Procurement Act (VPPA), Section 2.2-4330.

#### 1.13 TIME OF COMPLETION AND LIQUIDATED DAMAGES:

The Contractor shall commence work within ten (10) days after award of the Contract and the written "Notice to Proceed", and shall substantially complete the work no later than 150 calendar days following the issue date of the Notice to Proceed

All work for this Contract shall be completed and accepted on or before the time limit established in the Contract. In the event the Contractor fails to complete the work by the time limit, liquidated damages, representing the estimated additional cost of administration, engineering, supervision, inspection and other expenses will be assessed in the amount of \$150.00 for each calendar day beyond the time limit, including Sundays and Holidays, that the project is not completed.

#### 1.14 PRE-CONSTRUCTION CONFERENCE:

After the signing of this contract, a pre-construction conference shall be held. The date, time and location of the pre-construction conference will be determined by the City's Project Manager after the contract is awarded. The purpose of this meeting will be to discuss, in detail, all aspects of the specifications and the scheduling of the work. The Contractor will have all key personnel present at this meeting to include the on-site Foreman, the Project Manager assigned to the project and any other management directly involved in the project.

#### 1.15 EMPLOYMENT DISCRIMINATION BY CONTRACTOR PROHIBITED:

A. During the Performance of this contract, the Contractor agrees as follows:

- (1) The Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex or national origin, except where religion, sex or national origin is a bona fide occupational qualification reasonably necessary to the normal operation of the contract. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause. The Contractor will not discriminate against and will make reasonable efforts to accommodate disabled persons as required by the Americans with Disabilities Act.
- (2) The Contractor, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, will state that such Contractor is an equal opportunity employer.
- (3) Notices, advertisements, and solicitations placed in accordance with Federal Law, rules of regulations shall be deemed sufficient for meeting the requirements of this Section.

B. The Contractor will include the provisions of the foregoing paragraphs (1), (2), and (3) in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

#### 1.16 DRUG-FREE WORKPLACE REQUIRED:

Bidders are reminded that Section 2.2-4312 of the Code of Virginia requires that the during the performance of the contract resulting from this bid, the contractor agrees to (i) provide a drug-free workplace for the contractor's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the contractor that the contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

For the purposes of this section, "drug-free workplace" means a site for the performance of work done in connection with a specific contract awarded to a contractor in accordance with this solicitation, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the contract.

#### 1.17 CONTRACT INTENT:

- A. It is the intent of this Contract to have performed, all work included in these specifications and indicated on the drawings.
- B. The City reserves the right to approve Sub-contractors.
- C. It is vitally important that the Contractor cooperate closely with the Owner in working to keep disruptions to a minimum. Disruptions must be minimized and work schedules cleared in advance with the Owner and Engineer.

#### 1.18 PROTECTION OF PROPERTY AND PERSONNEL:

- A. The Contractor shall erect traffic control devices, barricades, warning signs, overhead protection, etc., as required by local codes, and laws.
- B. Contractor shall observe OSHA regulations and Owner's safety policies.

#### 1.19 LAWS AND REGULATIONS:

The awarded Contractor shall be responsible to obtain any and all permits and all levels of approval as required by Federal Laws, State laws, Governments Regulations, County or City Building Codes. The Contractor is to proceed with the project in accordance to all applicable laws and regulations. The cost of any City of Lynchburg issued permits will be waived.

The provisions, requirements, and prohibitions as contained in Sections 2.2-4367 through 2.2-4377, of the Virginia Code (Ethics in Public Contracting), pertaining to bidders, officers, contractors, and subcontractors are applicable to this Project.

#### 1.20 VERIFICATION OF PROJECT CONDITIONS:

The Contractor shall be responsible for visiting the project site, recording, and verifying all existing conditions, field dimensions, terrain characteristics, measurements, etc., as may be as required for calculating a bid submission.



No consideration will be given to any claim based on differences between the actual conditions and those indicated in the contract documents. Any discrepancies between drawings and/or the specifications and existing conditions will be referred to the Owners Representative for adjustment before any affected work is begun.

In the event the existing conditions differ from those indicated in the specifications or on the drawing and the details cannot be accomplished as designed, the Contractor shall notify the Owners Representative and a solution will be arrived agreed to in advance.

#### 1.21 FINAL APPROVAL:

Final approval of any and all work shall be by the Owner's Representative.

#### 1.22 EMERGENCY SERVICE:

The Contractor shall provide the Owners Representative with the telephone numbers of at least two (2) responsible persons that could be contacted for emergency inspections in the event problems associated with the project occur.

#### 1.23 RELATED DOCUMENTS:

The general provisions of the Contract, including General and Supplementary Conditions apply to all work specified.

#### 1.24 PROJECT CLOSEOUT DOCUMENTS:

The Contractor shall submit the close out documents along with the final payment application within 30 days of the Owners Representative final inspection. The Contractor's retainage will not be released until all close out documents are received by the City.

The Close Out documents must contain the following:

- Contractor's Warranty
- Affidavit of Release of Liens
- Affidavit of Payment of Debts and Claims
- Consent of Surety Company to Final Payment
- As built drawings
- Operation and Maintenance Manuals (3 copies) to include the following
  1. Parts List on all major equipment
  2. Maintenance instructions on all major equipment
  3. Maintenance schedule
  4. Operating instructions
  5. Wiring Diagrams

#### 1.25 CLEAN UP:

Contractor Shall:

- A. Remove debris during each work day. All debris shall be removed from the job-site daily.
- B. Any damage to the building or landscaping shall be repaired to its prior condition or better at no additional cost to the owner.
- C. The Contractor shall be able to produce written documentation that all debris was dumped properly.

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SECTION II  
SUPPLEMENTAL CONDITIONS

2.1 PAYMENTS:

- A. All requests for payments must be received by the owner's representative by the 20th of each month. It shall be the Contractor's responsibility to meet with the appropriate inspector or project representative before this time to verify contract quantities and payment requests.
- B. Partial payments shall be made on a monthly basis on or before the thirtieth of each month covering work performed in accordance with the contract requirements.

At least ten days prior to submitting the first application for a partial payment, Contractor shall submit a progress schedule, a final schedule of Shop Drawings submission and a schedule of values of the work. These schedules shall be satisfactory in form and substance to the Owners Representative. The schedule of values shall include quantities and unit prices aggregating the contract price, and shall subdivide the work into component parts in sufficient detail to serve as the basis for progress payments during construction. Upon approval of the schedules of values by the Owners Representative, it shall be incorporated into the form of application for payment furnished by the Owners Representative.

At least ten days before each partial payment falls due (but not more often than once a month) the Contractor shall submit to the owners Representative for review an application for payment filled out and signed by Contractor covering the work completed as of the date of the application and accompanied by such data and schedules as Owners Representative may reasonably require. Owners Representative will within seven days after receipt of each application for payment, either approve payment or return the application to Contractor indicating in writing his reasons for refusing to approve payment. In the latter case, the Contractor may make the necessary corrections and resubmit the application. If the Owners Representative determines that the Contractor has been overpaid, all further partial payments may be credited against such overpayment.

From the total of the amounts so determined for partial payments will be deducted an amount equivalent to five percent of the whole, which will be retained by the City as described hereinafter, and the balance, less all previous payments, will be certified for payment.

- C. Alternative forms of security in accordance with sec 2.2-4338 Code of VA. may be used. In lieu of a bid, payment, or performance bond, a bidder may furnish a certified check or cash escrow in the face amount for the bond. Such alternative forms of security must be approved by the City's Attorney.
- D. At the time the Contractor submits a bid, the Contractor shall have the option to use the escrow account procedure for utilization of City retained funds (in accordance with sec. 2.2-4335 of the Code of VA.), by so indicating in the space provided in the bid documents. In the event the Contractor elects to use the escrow account procedure, the "Escrow Agreement" form included in the Bid and Contract shall be executed and submitted to the City within fifteen (15) calendar days after notification. If the "Escrow Agreement" form is not submitted as noted hereinbefore, the Contractor shall forfeit such rights to the agent. The Contractor, the escrow agent and the surety shall execute an "Escrow Agreement" form and submit same to the City for approval. The Contractor's escrow agent shall be a trust company, bank or savings and loan institution with its principal office located in the Commonwealth of Virginia. The "Escrow Agreement" form shall contain the complete address of the escrow agent and surety, and the executed "Escrow Agreement" will be authority for the City to make payment of retained funds to the escrow agent. After approving the agreement, the City will pay to the escrow agent the funds retained as provided herein except that funds retained for lack of progress or other deficiencies on the part of the Contractor will not be paid to the escrow agent. The escrow agent may, in accordance with the stipulations contained in the "Escrow Agreement," invest the funds paid into the escrow account

and pay earnings on such investments to the Contractor or release the funds to the Contractor provided such funds are fully secured by approved securities.

Retained funds invested and securities held as collateral for retainage may be released only as and when directed by the City. When the final estimate is released for voucher, the City will direct the escrow agent to settle the escrow account by paying the Contractor or the City monies due them as determined by the City. The City reserves the right to recall retained funds and to release same to the surety upon receipt of written request from the Contractor or in the event of default.

Total contract value shall be considered to mean the original amount of the contract, except when the contract is increased or decreased by more than 20 percent in which case the adjusted total shall be used.

The City reserves the right to withhold the payment of any partial or final estimate voucher or any sum or sums thereof from such vouchers in the event of the failure of the Contractor to promptly make payment to all persons supplying equipment, tools, or materials, or for any labor used by him in the prosecution of the work provided for in the contract, and for any other cause, including overpayment on previous partial payments.

- E. Payment for material on hand - When requested in writing by the Contractor, allowances may be made for material delivered for use on a project, but not incorporated in the work if a bill of sale or other evidence, so as to protect the owner's title to said material be presented and the material be stored in a manner acceptable to the owner's representative.
- F. Acceptance and Final Payment - When final inspection and final acceptance have been duly made by the owner's representative, the owner's representative will prepare the final statement of any changes from the contract documents either as additions to or deductions from the original contract quantities. Thereafter, the Contractor will be afforded 10 days in which to review the final estimate in the City Engineer's office before payment. Prior to final payment, the Contractor shall certify to the City that he has made all settlements, or satisfactory arrangements therefore, for labor, materials and supplies entering into or used by him on the work and shall furnish such other certificates as are required by the City as a prerequisite to the issuance of final payment. In case such evidence is not furnished, any amount necessary to meet such claims may be retained by the City from any monies due the Contractor until such claims are fully satisfied and liens therefore discharged.

Upon review of the final estimate by the Contractor and approval by the owner's representative, there will be paid to the Contractor the entire sum due after deducting all previous payments and other amounts to be retained or deducted under the provisions of the contract. All final payments will become due and payable within 90 days after final acceptance of the entire project, as provided hereinbefore. All prior partial estimates and payments shall be subject to correction in the final estimate and payments. Prior to receipt of final payment, the Contractor shall provide a letter of release to the City for all claims by and liabilities to the Contractor for all work done or materials furnished, or for any action of the City or its agents affecting the work.

All costs for discussing and reviewing Contractor requested substitutions shall be borne by the Contractor, whether or not the substitutions are approved. These costs shall be deducted from the "Final Payment" to the Contractor.

## 2.2 SUBCONTRACTS:

All Contractors proposing subcontract work shall solicit written proposals from at least two qualified subcontractors where possible for such work. The Contractor shall take all reasonable measures to insure that all contractors, including disadvantaged Contractors, are given an equal opportunity to bid on any work to be subcontracted. Bids which include proposals for subcontract work must indicate that proposals were requested from disadvantaged Contractors where available. These proposals shall be on file with the Contractor and available for review by the City. The City, in an effort to afford equal

opportunity to all minorities and disadvantaged Contractors, will strictly enforce and adhere to the requirements of this section.

### 2.3 RESPONSIBILITY OF THE CONTRACTOR:

The Contractor shall take all responsibility for the work, and take all precautions for preventing injuries to persons and property in or about the work; shall bear all losses resulting to him on account of the amount or character of the work, or because the nature of the land in which or on which the work is done is different from what was estimated or expected, or on account of the weather, elements, or other causes; and, shall assume the defense of and indemnify and save harmless the City, its employees, officers and agents from and against any and all claims, liabilities, judgments, costs, causes of action, damages and expenses, and shall pay all attorney's fees, court costs and other costs incurred in defending such claims, which may accrue against, be charged to, be recovered from or sought to be recovered from the City, its employees, officers and agents by reason of the Contractor's work, whether, such claims arise from the labor and materials furnished for the work; from inventions, patents, and patent rights used in doing the work; or on account of any personal injury or death or damage to property of any person or corporation resulting from the Contractor's work or the actions of the Contractor's employees, officials or agents in performing the work or furnishing materials thereto or caused by the acts of any other person whatsoever, whether or not such persons are subject to the Contractor's control; or in consequence of any improper materials or implements of labor used therein; and, through any act, omission or neglect of the Contractor and his employees, officials and agents. The City, its employees, officers and agents shall not have to give the Contractor any specific type of notice of claims arising out of the Contractor's work.

The Contractor shall carry insurance as specified in Section 2.12 of these Supplementary Conditions. The Contractor shall at all times enforce strict discipline and good order among his employees; and shall seek to avoid employing on the work any unfit person or anyone not skilled or qualified in the work assigned to him.

### 2.4 AMENDMENTS AND CHANGE ORDERS:

The Contractor shall not commence work or purchase materials for such change orders until written preliminary approval is received from the Owner in the form of an executed Change Order to the originally issued purchase order backing the formal contract agreement.

### 2.5 CONTRACTUAL DISPUTES:

Contractual claims, whether for money or other relief, shall be submitted in writing no later than sixty (60) days after final payment. However, written notice of the contractor's intention to file a claim shall be given at the time of the occurrence or beginning of the work upon which the claim is based. Pending claims shall not delay payment of amounts agreed due in the final payment.

### 2.6 ADMINISTRATIVE APPEALS PROCEDURE:

In accordance with Sec.18-159 of the Lynchburg City Code, any bidder, offeror or Contractor may protest a decision to award or an award, appeal a decision to refuse to allow withdrawal of bids, appeal a decision of disqualification, debarment or a determination of non-responsibility, or appeal a decision on disputes arising during the performance of a contract.

Any protest or appeal pursuant to this section shall be in accordance with such administrative procedures as the City manager may prescribe.

Any bidder, offeror or Contractor shall submit a written protest or letter of appeal to the City Purchasing Agent with a copy to the City Manager, in the case of construction contracts, within the time constraints as set forth in the act. The written protest or appeal shall include the basis for the protest or appeal and the relief sought, and whether the bidder, offeror or Contractor wishes to have a hearing with respect to the protest or appeal.

If no hearing is requested, the City manager or his designee shall render a written decision to the bidder, offeror or Contractor within ten (10) days of receipt of the written protest or letter of appeal.

If a hearing is requested, it shall be held within (10) days of receipt of the written protest or letter of appeal, and a final decision shall be rendered within ten (10) days of the hearing. During the hearing, the protesting party shall have the opportunity to present pertinent information and to cross-examine adverse witnesses. The hearing shall be an informal administrative proceeding rather than a judicial-type trial, and a disinterested person, who may not be a City employee, appointed by the City Manager, will conduct it.

The findings of fact shall be final and conclusive and shall not be set aside unless the same are fraudulent or arbitrary or capricious, or so grossly erroneous as to imply bad faith. No determination on an issue of law shall be final if appropriate legal action is instituted in a timely matter.

Any party to the administrative procedure shall be entitled to institute judicial review if such action is brought within thirty (30) days of receipt of the written decision.

## 2.7 ACCEPTANCE AND GUARANTEE:

At the completion of the project, a final inspection will be made by the Owners Representative. The Contractor will be notified of the remaining work to be performed. When the work is satisfactorily completed, notification will be given in writing that the project has been accepted. The retainage held for this completed project will be released upon acceptance of the project. The guarantee period will be one (1) year after the date of notification of acceptance

## 2.8 INSURANCE:

1. a. The Contractor shall purchase and maintain insurance in at least the following amounts:
  - b. Contractor's Comprehensive General Liability (Bodily Injury and Property Damage) shall be provided for the following minimum limits:
    1. Bodily Injury Liability 1,000,000 dollars single limit
    2. Property Damage Liability 1,000,000 dollars single limit
    3. The General Liability Insurance shall include the following minimum coverages:
      - (1) Comprehensive Form
      - (2) Premises - Operations
      - (3) Explosion and Collapse Hazard
      - (4) Underground Hazards
      - (5) Products/Completed Operations Hazard
      - (6) Contractual Liability Insurance
      - (7) Broad Form Property Damage, Including Completed Operations
      - (8) Independent Contractors (Contractor's Protective Liability)
      - (9) Personal Injury (All Insuring Agreements), Deleting the Employee Exclusion
      - (10) Owner's Protective Liability, Separate Policy in Name of Owner.

2. Contractor's Automobile Liability (Bodily Injury and Property Damage) shall be provided for the following minimum limits:
  - A. Bodily Injury Liability  
200,000 dollars each person  
500,000 dollars each occurrence
  - B. Property Damage Liability  
200,000 dollars each occurrence
  - C. The Automobile Liability Insurance shall include the following coverages:
    - (1) Comprehensive Form
    - (2) Owned
    - (3) Hired
    - (4) Nonowned
3. Excess catastrophe coverage shall be provided by the Contractor with a minimum limit of 3,000,000 dollars.
4. Contractor's Worker's Compensation Insurance as required by Federal, State, and Municipal laws for the protection of all contractors' employees working on or in connection with the project, including broad form all states and voluntary compensation coverages and employers' liability coverage.
5. Fire, Extended Coverage, Vandalism, and Malicious Mischief (Completed Value Builder's Risk) Insurance. The Contractor shall purchase "All Risk" type Builder's Risk Insurance in an amount sufficient to cover all work under the Contract. The policy shall cover not less than the losses due to fire, explosion, hail, lightning, vandalism, malicious mischief, wind, water, flood, collapse, riot, aircraft, and smoke during the contract time, and until the work is accepted by the Owner. The Builder's Risk Insurance shall be for the benefit of the Owner, the Contractor, and the Subcontractors, as their interest may appear.
6. The Contractor shall require his insurance agent to certify on the insurance certificate that the insurance coverage specified by these Supplementary Conditions is fully in effect, both in scope and amount. If insurance coverage is affected with more than one company, the individual certificates shall identify the items of insurance which the individual companies cover. The insurance certificate shall contain a provision that coverages afforded under the policies will not be canceled or materially changed unless at least 30 days prior written notice has been given to the Owner.
7. The insurance policies shall include or be endorsed to include the following provisions:
  - A. Any deductibles or self-insured retentions applicable to required coverages shall be paid by the Contractor, and the Owner shall not be required to participate therewith.
  - B. The insurance required hereunder shall be primary and any insurance or self-insurance maintained by the Owner shall be excess of the Contractor's insurance and shall not contribute therewith.
  - C. Failure of the Contractor to comply with any reporting provisions of the insurance policies required hereunder shall not affect coverage provided to the Owner.
  - D. All rights of subrogation against the Owner shall be waived.

- E. The Contractor shall provide the Owner with certificates of insurance with applicable endorsements affecting coverages, signed by a person authorized by the insurance company to bind coverage on its behalf. All required certificates of insurance shall be received by the Owner prior to commencement of any work under this contract.
  - F. All coverages for Subcontractors of the Contractor, if any, shall be subject to all of the requirements stated herein.
- 8. All insurance shall be written by insurance companies licensed to do business in the Commonwealth of Virginia.
  - 9. All certificates of insurance shall name the officers and employees of the City of Lynchburg as additional insured.
  - 10. A letter shall be written to the City stating that all insurance as required by the specifications has been provided for the duration of the project.

## 2.9 RIGHT TO AUDIT:

All contracts are subject to audit by Federal, State or City Personnel or their representatives at no cost to the City. Contractor agrees to retain all records, books and other documents relevant to this Contract and the funds expended hereunder for at least four (4) years after Contract acceptance, or as required by applicable law. Requests for audits shall be made in writing and Contractor shall respond with all information requested within ten (10) calendar days of the date of the request.